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To the Voters of New York.

Unlimited Coinage of Silver.

DOCUMENT No. 7.

Issued by the Campaign Committee
of the Republican Club of the
City of New York.

JOHN S. SMITH, Chairman.

W. M. K. OLCOTT, Secretary.

HENRY HALL, Treasurer.



NEW YORK:
No. 450 Fifth Avenue,
September, 1892.

THE UNLIMITED COINAGE OF SILVER.

A TRIALOGUE BETWEEN THREE DEMOCRATS.

In the Ante-room of the Democratic National Committee.

MR. A. BLAND SILVERMAN, MR. SQUARE AND
MR. FACING-BOTH-WAYS.

MR. SILVERMAN—"On one point I suppose we are agreed; something must be done or Democracy takes a very far back seat. The country is prosperous, protection and the McKinley bill are gaining in favor, English manufacturers are coming here to stay, by every steamer. Even the 'Solid South' is breaking up and Alabama can no longer be counted as safe for Cleveland. It is time for heroic measures. Nothing else will save us. I ask you in all candor: is it not the time to come out boldly and arm ourselves in favor of my bill for the 'Unlimited Coinage of Silver?'"

MR. SQUARE—"I answer, no. Unlimited Silver Coinage is a craze. Its adoption would blight the national prosperity as the rot and the beetle blight a potato field. If a congress should be weak enough to pass it and a President wicked enough to approve it, they would be known as public enemies. The proposition is so outrageous that its support by intelligent men seems an impossibility. You can't cheat the people with it. Since the failure of the plan for extracting sunbeams from cucumbers and bottling them up for winter use, the lowest depths of human credulity had not been sounded until the Silver Coinage scheme was invented."

MR. FACING-BOTH-WAYS—"You, gentlemen, are both entirely too radical, too positive and extreme in your views. This year, we Democrats have no votes to spare. We must have those of the advocates and the opponents of 'Free Silver Coinage;' in short, of those who are on both sides and on neither side of as many issues as possible, and even then we may be beaten. Is it not better to follow the example of the prophet of Buzzard's Bay and do a little hedging? Let us make friends of the Tammany of unrighteousness; let us be in favor of the law but opposed to its enforcement. Let us, like Cleveland, find a middle ground on which we can all stand."

MR. SQUARE—"You have no right to charge Mr. Cleveland with any toleration for the Free Silver heresy. He took his stand against that craze in his letter of Feb. 24th, 1885, to A. J. Warner and others."

MR. SILVERMAN—"The conditions have changed since that letter was written, seven years ago.

"Mr. Cleveland would now sign an unlimited coinage bill.

"While the Democratic National Convention at Chicago last June did not advocate free coinage openly, it is well known to the country that shortly after the convention adjourned, in the House of Representatives, on a test vote, one hundred and twenty-seven Democrats, a majority of thirty-two of those present, voted for Free Silver, led by Speaker Crisp, and the measure was defeated by the Republicans and opponents of the scheme, led by Thomas B. Reed.

"The United States Senate passed a Free Silver Bill by Democratic votes, reinforced by Republicans from the Silver States.

"Another thing we are to bear in mind: there can be no doubt the present Congress is overwhelmingly for free coinage of silver.

"There have been three distinct test votes, and taking Congress as a whole, nearly two-thirds of the Democratic Representatives, and three-fourths of the Democratic Senators, are on record for free coinage, while almost four-fifths of the Republican Representatives, and

over two-thirds of the Republican Senators, are on record against free coinage.

"This must convince a Democratic President that his party duty is to sign any free silver coinage bill that Congress may pass.

"Mr. Cleveland, too, has changed since his letter of seven years ago.

"In the campaign in Rhode Island last spring he was invited to speak in that State.

"He did so, reading a carefully prepared speech.

"The issues in that canvass were mainly national, and the Republican orators were outspoken against free silver coinage.

"Mr. Cleveland's speech was silent on that question.

"This greatly encouraged the friends of free silver and we are all confident that Mr. Cleveland will sign a free silver coinage bill if passed by Democratic votes.

"He cannot withstand this tremendous party pressure."

MR. SQUARE—"Your statement does tend to show that the Democratic party, as an organization, is pledged to the unlimited coinage of silver; and I admit that it is safe to say that Mr. Cleveland would not veto a free silver or any other bill passed as a Democratic party measure."

MR. FACING-BOTH-WAYS—"Why should we have any delicacy in defending free silver? Will it not make money plenty, good times and high prices? I hope there is no Democrat who objects to that."

MR. SQUARE—"Before we discuss the subject, let us see if we agree on the meaning of the term 'Free Coinage of Silver.' Suppose you, Mr. Facing-both-ways, tell us just what it means."

MR. FACING-BOTH-WAYS—"Excuse me; I have never studied the dictionary much. I think Mr. Silverman here understands that branch of the subject better than I do."

MR. SILVERMAN—"And I am not afraid to say just what I mean by the Free or Unlimited Coinage of Silver. I do not think there is any difference of opinion among the leaders of the Democratic party on this subject. These

words mean that everybody may have every three hundred and seventy-one and one-fourth ($371\frac{1}{4}$) grains of fine silver, which he brings to any United States mint, coined into a dollar, which is a legal tender in discharge of any money obligation. But the capacity of the mints is limited, and would delay the absorption of silver. All the coinage bills, therefore, provide that the United States shall buy the silver and pay for it at the rate of \$1.2929 per ounce. Free Silver Coinage makes the United States the buyer of the silver of the world at a fraction less than \$1.30 an ounce, paying for it in notes convertible into gold at their face value."

MR. SQUARE—"I accept your definition. Let us figure on it. To-day (Aug. 22d, 1892), silver is quoted at $83\frac{1}{8}$ cents to $83\frac{3}{4}$ cents per ounce of four hundred and eighty grains. Taking $83\frac{1}{2}$ as the basis, the standard dollar, containing $371\frac{1}{4}$ grains, is intrinsically worth a fraction over $64\frac{1}{2}$ cents, for which the United States would pay \$1.00, or a clean profit to the seller and a clean loss to the Government of thirty-five and one-half cents. And the payment is in notes immediately convertible into gold, equivalent to payment in gold, so long as there is any to pay with; and when the gold is exhausted repudiation becomes inevitable. Thus the United States becomes the buyer of the silver of the world for which it has no use, at a profit of thirty-five and one-half cents on the silver contained in a dollar to the few mine owners in the eight silver-producing States and a few foreign hoarders of silver. I think you will find it difficult to defend the policy, necessity or morality of this transaction."

MR. FACING-BOTH-WAYS—"That would be the case if silver was an ordinary commodity, but silver has always been considered as money."

MR. SQUARE—"Please wait for the end of my statement; then, if you and Mr. Silverman can answer it to the satisfaction of good citizens, you will astonish the world.

"A profit of $35\frac{1}{2}$ cents on the silver contained in the standard dollar, may seem a small matter; but on the 45,783,632 ounces of silver produced in the United States in 1888, the

profit amounts to the handsome total of twenty million, nine hundred and sixty-eight thousand dollars. Then our product of silver is rapidly increasing. In the year ending December 31st, 1891, it was 58,330,000 ounces, worth at the coining rate \$75,416,565. The profit which free coinage would secure on this amount of silver would be twenty-six million, seven hundred and fifteen thousand, one hundred and forty dollars (\$26,715,140). Such a policy means national bankruptcy."

MR. SILVERMAN—"Are you now through with your objections to Free Coinage?"

MR. SQUARE—"No. Free Coinage makes the United States a bidder for the silver of the world. The silver owned by other countries, according to the best authorities, is over 3,397,000,000 ounces. How much of this the enormous profit offered would bring to this country, is problematic—430,000,000 ounces of it is held by banks and banking-houses in Europe, who are constantly shipping gold either way, when it shows a profit of one-half per cent. These 430,000,000 ounces would come here as fast as it could be shipped. The profit upon it to the foreign sellers and loss to the United States would exceed \$196,000,000, quite enough to bankrupt our Treasury, even in the present condition of national prosperity."

MR. SILVERMAN—"If you have made it bankrupt the country, I suppose you have no further objection to Free Coinage?"

MR. SQUARE—"I have. It would lessen the purchasing power of every dollar received by the wage-earner. You say it will make money plenty and cheap. Yes, possibly, but everything that money buys will be scarce and dear. Suppose that to-day five dollars of the mechanic's wages will buy a barrel of flour. Under free coinage he will pay at least six dollars and three-quarters for a like barrel of flour.

"It is immaterial to the wage-earner whether you say the value of his five dollars is reduced $35\frac{1}{2}$ per cent., to \$3.23, or that he pays $35\frac{1}{2}$ per cent. more for the article. Once admit, as all thoughtful men do, that values are founded upon labor, and it is as plain as simple subtraction that any reduction of the purchasing

power of the dollar which pays the laborer his wages, is a reduction of his wages. Reduce the power of the dollar, for instance to sixty-four and one-half cents, and you have by that act reduced the daily wages of the brick-layer from \$4 to \$2.58."

MR. FACING-BOTH-WAYS—"I hope, Square, you are at the end of your objections. Really, I do not see how they are to be answered."

MR. SQUARE—"I am not at the end of my objections by any means. I am amazed that grown up men will listen to any discussion of a proposition so absurd as this of Free Coinage. The dollars to be paid for silver are to be a legal tender. The \$1,524,000,000 of deposits, mainly by workmen, in savings banks are to be paid off in the dollar worth 64½ cents, imposing a loss on the industrial classes of five hundred and forty-one million dollars. The clergymen, teachers, professors of all kinds, officers and employes in the civil, military and naval service, clerks and officers of banks, railroads and other corporations, all who live upon salaries, share a similar fate. And lastly, and saddest of all, the great army of men, women, and children, a full sixth of our population, who are worthy of their hire, because they earn their bread literally by the sweat of their brows, would be made to pay the largest part of this unjust and wicked tax which it is proposed to impose upon the people. These deserving classes are to be robbed of their earnings, not for any worthy purpose, but that these unheard-of profits may be paid to European and American owners of silver, and the very small number of owners of profitable silver mines. The very proposition is a scandal and an outrage."

MR. SILVERMAN—"We reason from positions so radically different that argument will not bring us together. You treat silver as merchandise; I, as one of the precious metals, which has served as money for more than two thousand years. I wish to secure a flexible currency, which will expand and contract with the demands of commerce. The Democratic party believes in Free Coinage. We are all Democrats. Let us agree to try the experi-

ment. If it fails, no great harm will be done."

MR. FACING-BOTH-WAYS—"There is force in Mr. Silverman's suggestion.

MR. SQUARE—"I do not think so. The National credit would be more than imperiled by Free Coinage—it would be ruined. Deducting the gold pledged for the redemption of the treasury notes and held for gold certificates, we have only a small amount for Free Coinage to monkey with in the Federal Treasury. This would be exhausted in forty-eight hours of 'Free Coinage.' One day's shipment of silver from Europe would exhaust it, and gold coins would disappear as quickly as small silver coins did in the Autumn of 1861. Then repudiation would be inevitable. A National credit which could not be shaken by the greatest rebellion the world ever saw, would go down in a time of profound peace and Democratic rule. I am a Democrat by birth and education, but I honor, as history will honor, the Republicans for their support of the National credit. The administration of President Lincoln inherited from Mr. Buchanan an empty treasury which had not credit enough to buy its stationery. A loyal people paid into that treasury three thousand million dollars in a time of civil war. That money armed, fed, clothed and paid the soldiers and sailors, and crushed the rebellion. The first act signed by President Grant was 'An act to preserve the Public Credit' against those who would have paid our debt in a debased currency. One generation has pensioned the soldiers and sailors and paid two-thirds of the war debt. To-day our National credit stands at the head of all the nations of the world. The assaults upon it have not shaken it. The Greenback party has come and gone; Free Coinage has tried to come, but has perished in parturition. State Bank currency is threatened, but will perish at the polls.

"In the rebellion, there were Democrats who loved their country better than their party. In the present high tide of our almost universal prosperity, there are Democrats who love the National credit better than free coinage."

MR. SILVERMAN—"We are out of office now and the Republicans are in. We are for Free Coinage, because we want to turn the Republicans out and get the Democrats in."

MR. SQUARE—"I cannot shut my eyes against the truth. The country is prosperous, labor is everywhere employed at good wages, our exports and our manufactures are increasing. We are constrained to admit that Benjamin Harrison has given the country a sound, clean, American administration. The business of the country is upon a sound basis, and business men are looking forward to a long season of general prosperity. The proposition to change existing conditions, to experiment with the currency, to force free silver upon the Republic, will have to overcome the Republican party, reinforced by the whole business interests of the country. I fear that it is a hopeless fight, Mr. Silverman; one in which the defeat of Mr. Cleveland will not put the country into mourning."



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